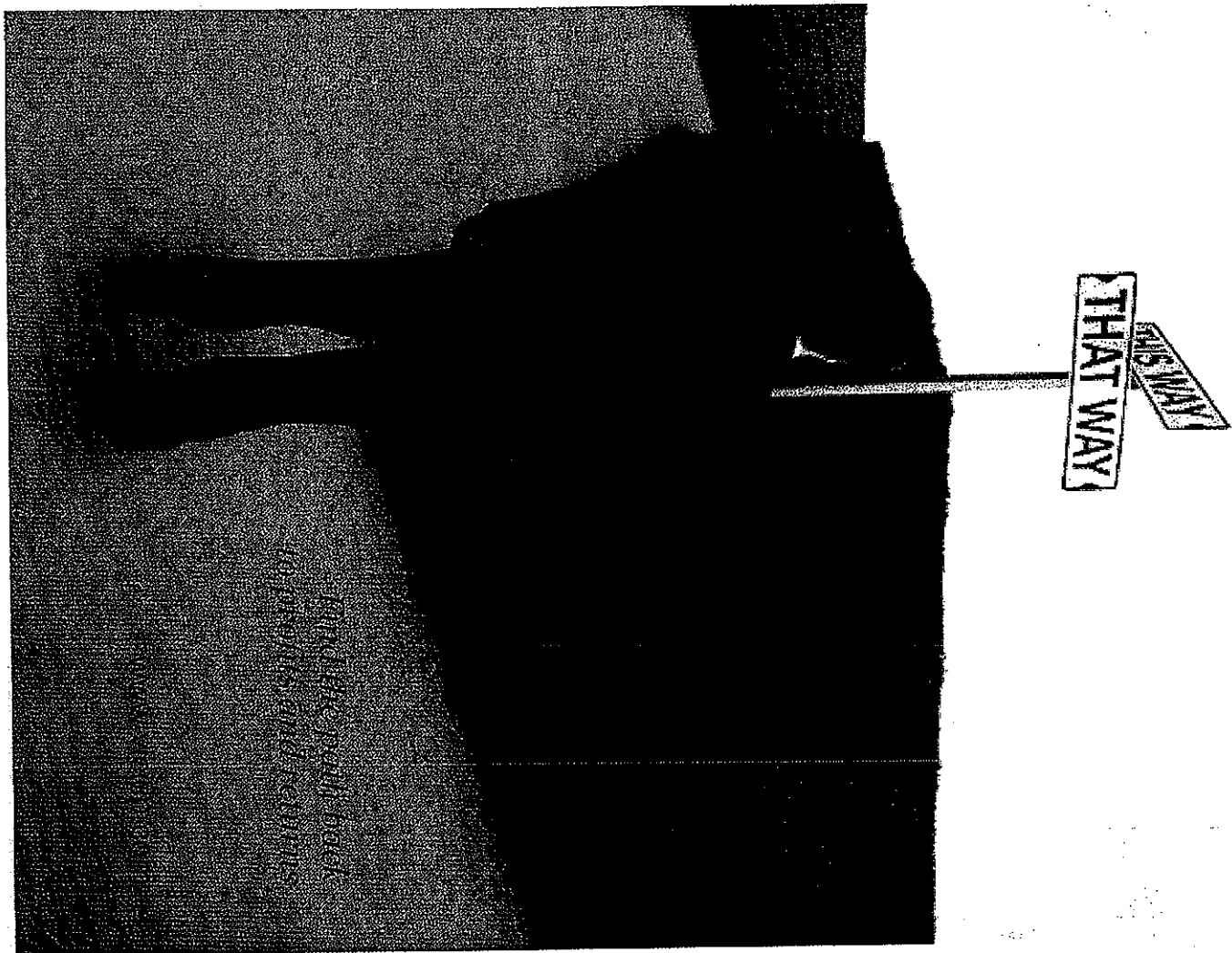


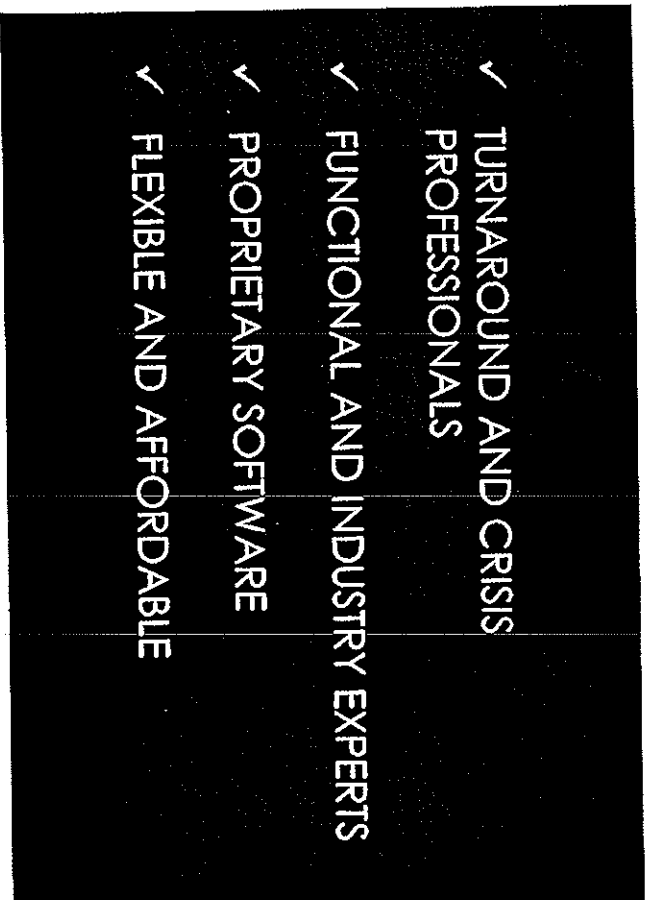
EXHIBIT A



ViciCapital

Turnarounds
& Restructurings

April 2010



ViciCapital

- Seasoned managers, CRO's, advisors and consultants
- Expert help for companies in transition: turnaround, crisis, M&A, strategic redirection, dramatic profit improvement
- Deep experience in many industries and network of over 500 functional and industry experts
- Customized teams to match unique circumstances from crisis through to growth and returns
- Highly flexible fee structures

Services

- Triage and Advisory
 - Turnaround Plans
 - M&A Execution
 - Crisis Management
 - Debt Restructuring
- CRO
- Interim Management

THE VICI TEAM + NETWORK OF SPECIALISTS

We are core team of experienced professionals with significant turnaround and crisis expertise. We have access to an extensive network of over 500 functional and industry experts. This allows us to match the optimal personnel to any situation.

Chad Clawson Turnaround Advisor
Chief Executive Officer
Operations Management

Jerry Sturgill Turnaround Advisor
Chief Executive Officer
Corporate & Finance Lawyer

Mark Crockett Operations Management
Chief Executive Officer
M&A Advisor

George Sweltitz Operations Management
Line Manager
Strategic Consultant

Dave Nilsson Real Estate Development
Real Estate Capital Markets
Investment Banker

Functional Experts Controller Functions
Forensic Accounting
Incentive Programs
Marketing

Robert Moon Chief Restructuring Officer
Chief Financial Officer
Investment Banker

Greg Robinson Operations Management
Strategic Consulting
Chief Executive Officer

Outsourcing
Product Development
Profitability Analysis and Pricing
Quantitative Analytics
Sales Force Redesign
Statistical Modeling
Supply Chain Management
... Over 500 seasoned
managers and advisors

INDUSTRY EXPERTISE

Vici professionals have relevant, real-world experience managing, operating, investing in and advising companies across a wide range of industries.

- **Business Services** (security services, back office functions)
- **Consumer goods** (food, beverages, auto, office, textile, electronics)
- **Entertainment** (theme parks, movie production, distribution)
- **Financial services** (insurance, banking, credit cards)
- **Health care** (hospitals, long-term care, home health, medical groups, health plans)
- **High Technology** (software, hardware, healthcare information systems, networking)
- **Lodging** (resorts, hotels)
- **Logistics** (distribution, warehousing, trucking)
- **Industrial** (construction, metal fabrication)
- **Manufacturing** (medical devices, food products, apparel, foot ware, auto parts)
- **Pharmaceuticals** (nutritional products, biologic supplies)
- **Real Estate** (residential REITs, development)
- **Retail** (office supplies, restaurants, grocery, apparel, sporting goods)
- **Utilities** (gas, electric)

TRIAGE – DELIVERING A ROADMAP FOR CHANGE

We can help to quickly assess a distressed situation, analyze alternatives and create a roadmap to the optimal resolution.

Key Questions

- Cash
- Trajectory/tipping
- Improvement potential
- Asset values
- Alternatives
- Management

Activities

- Cash needs assessment
- Rolling 12-week cash plan
- 30-day operating plan to stabilize business
- Asset Valuations
- M&A assessments
- Restructuring options

Recommendation

Operate

- Rationalize (asset sales)
- Resize (drive profits)
- Fund operating plan

Restructure

- Operating plan
- Refinancing/recap
- Bankruptcy

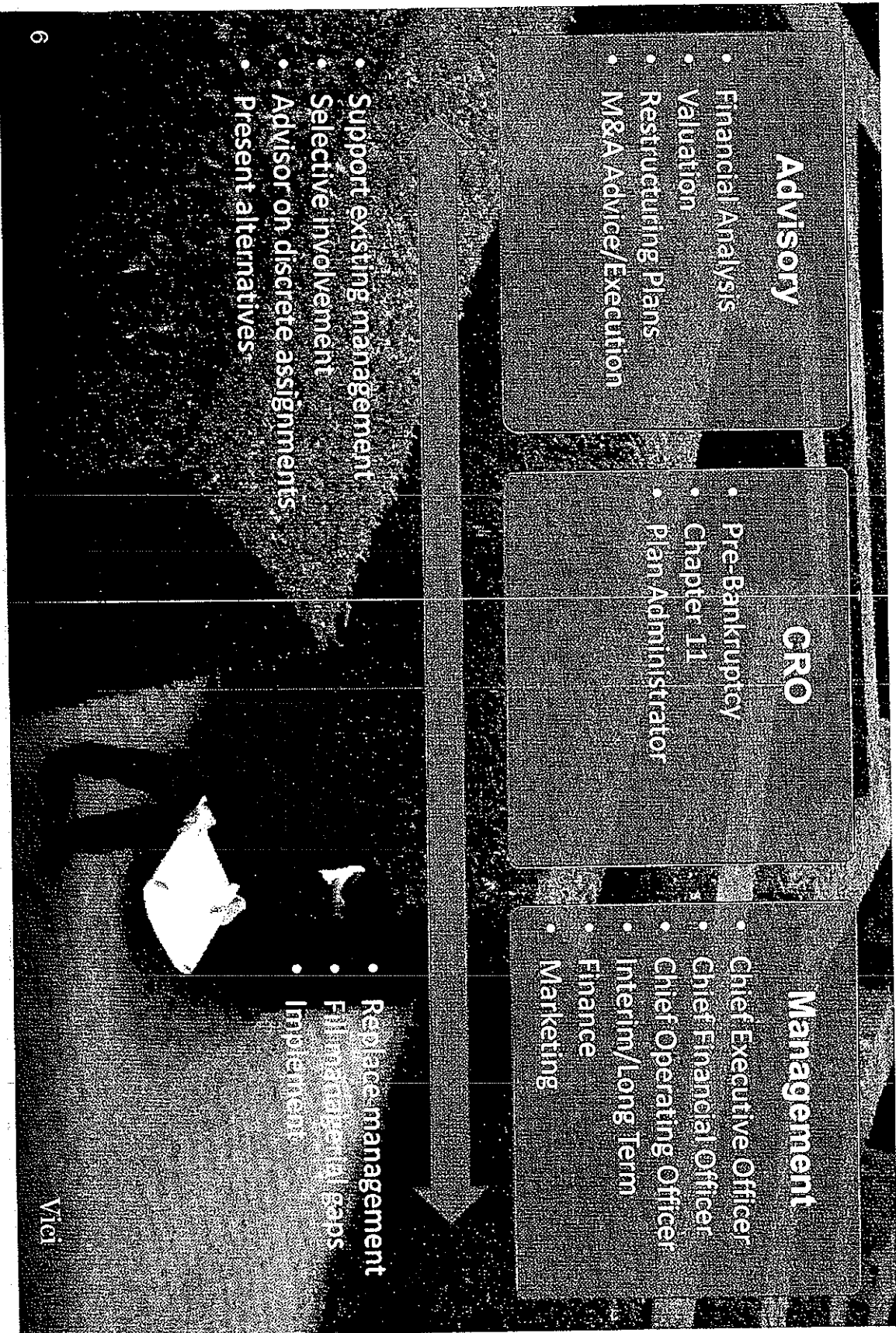
Liquidate

- Immediate shut-down
- Orderly wind down
- Sell assets/company

We start with specialized turnaround team to make an independent assessment. From there, we can bring a full-team of expert resources to do what is needed.

"MODULAR" INVOLVEMENT TO MATCH THE SITUATION

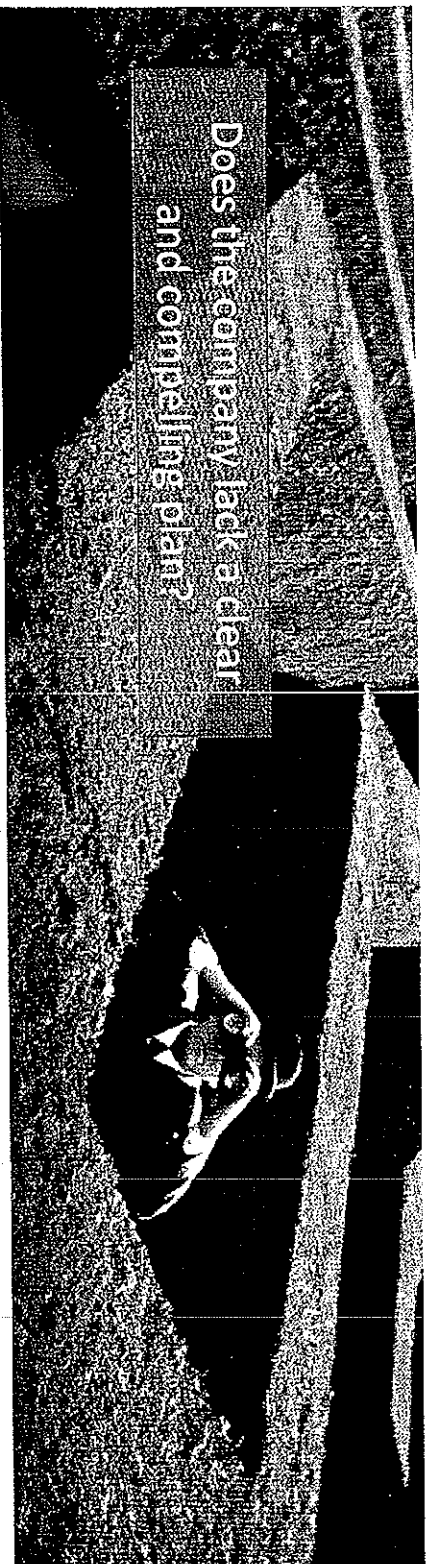
Throughout the turnaround process, we can tailor and adjust our involvement to meet the needs of the situation – either in an advisory or a management role – and bring additional resources if needed.



WHERE VICI CAN HELP

Lenders and funds know their companies well enough to know where they could use some help – and what is needed to avoid future problems. Vici can help in the following situations:

- Operating performance has declined
- Trouble meeting cash needs
- Significant business disruption (loss of major customer, supplier, financing)
- Repeatedly missing financial or operating projections
- Ratios showing stress
- Out of covenant compliance
- Trade creditors and customers holding back business
- Over-leveraged for current business environment
- Credit structure does not match business
- Requesting loan amendments (to extend maturities, adjust ratios, allow for exceptional uses of security/collateral)
- Asset values in Chapter 11 or liquidation may not cover creditors
- Senior management departure



ILLUSTRATIVE ENGAGEMENTS

Our engagements span a variety of industries, roles and situations.

CRO

A national car rental company faced with the repossession of approximately 60% of its rental fleet and declining revenues from a deteriorating business environment. President had quit the week before engagement.

Stabilized and managed business through successful Chapter 11 and sale.

- Negotiated agreements among primary creditors to continue operations while all possible alternatives were explored
- Restructured the entire operations of the company, closing and consolidating markets to create a viable company
- Ultimately sold the company in a 363 sale to a competitor at a substantial premium to initial indications of interest – making senior and secured creditors whole

CFO

High technology manufacturing company with primary operations in China and Taiwan. *Improved earnings position and prepared company for an IPO.*

- Revamped finance and accounting practices, consolidating four different accounting regimes and restructuring the processes of US and Asian finance departments
- Created detailed annual financial plans, performed in-depth measurement and variance analysis, directed financial reporting of all individual units
- Initiated a company-wide program to maintain profitability in a declining price environment – enhancing financial measurements and improving sales processes, product pricing, sourcing, purchasing and manufacturing costs
- Led implementation of company-wide Oracle ERP system
- Led internal audit and control functions to become fully compliant with Sarbanes Oxley (SOX) regulations
- Marketed, structured and closed an additional round of venture financing

ILLUSTRATIVE ENGAGEMENTS (continued)

Our engagements span a variety of industries, roles and situations.

Turnaround CEO

Regional transportation company.

Formulated a recovery plan, led employee team through implementation and sold company at a profit.

- Reorganized corporate headquarters staff
- Implemented new accounting and financial systems
- Enhanced management, accounting, HR and other company functions.
- Embraced major customers as "partners" and succeeded in renegotiating contracts at higher pricing
- Returned the company to profitability
- Initiated successful sale of the company to an international firm

Advisor & Director

Medical devices company. After rolling up its key distributors, losses and write offs had been growing; but lenders and board still had confidence in management. Acted as independent board member, advisor and consultant to existing team while providing interim management to fill gaps through implementation.

Helped stabilize company into a profitable path.

- Reviewed and valued operating plans to assess strategic alternatives
- Analyzed profitability of transactions in detail and re-priced for profitability
- Implemented on-line transactions processing system to reduce transaction costs
- Advised company on a range of strategic and operational solutions

ILLUSTRATIVE ENGAGEMENTS (continued)

Our engagements span a variety of industries, roles and situations.

CRO

Failed leverage acquisition of a national food manufacturing company

- Reorganized senior management and board
- Closed non-profitable manufacturing facilities
- Negotiated restructuring of debt facilities
- Prepared company for bankruptcy filing and 363 sale
- Improved operations and profitability led to consensual restructuring outside of bankruptcy

Interim CFO

Steel construction company faced with immediate foreclosure from its bank lender

- Performed complete analysis of business and prospects – determining that the superior plan would be an orderly liquidation
- Directed company finances through the closing of facilities, running the company for a year as contracts were completed
- The lender's overall recovery was substantially improved compared to the results of a hasty foreclosure

Interim CFO

A pioneering consumer products company that was losing money at the gross margin level at a time it needed to be investing in marketing and sales growth

- Enacted product pricing programs to maintain profit margin integrity and standardized sales promotions
- Renegotiated all significant contracts at both the cost of goods and operating expense levels and secured relationships with new suppliers and manufacturers
- Ultimately reduced cost of goods sold by 40%, elevating the company to cash flow and earnings profitability and creating substantial capital to grow the business

TEAM MEMBERS

ViciCapital team members have diverse backgrounds and deep experience in strategy and operations improvement, turnarounds, principal investing, investment banking and executive leadership. While continuing our work with larger companies, we formed Vici to also work with smaller and mid-market companies to dramatically improve earnings. The following biographies are representative of the partners we bring to client engagements.

Chad Clawson has 17 years of experience as a turnaround advisor, director, operating partner of more than 20 mid-market turnaround and operating situations such as Denali Incorporated (oil/energy), Amweld International (building materials), Unique Fabricating (automotive), Scientific Protein laboratories (pharmaceuticals), Kingway Material Handling (industrial automation), Western Wats (market research), NutraPure (pharmaceuticals), Aeriform (chemicals), and Neway-Anchorlok (transportation). Chad has previously been an operating partner with American Capital Strategies, an \$18 billion fund with 250 portfolio companies, and managing director of PPMG, a \$6 billion turnaround/restructuring private equity firm with 75 portfolio companies. Chad earned S.M. degrees in both management and electrical engineering from the Massachusetts Institute of Technology.

Note: now headed into a CEO role, available only as project advisor.

Mark Crockett is a Managing Director with 17 years of experience in performance improvement, strategy and M&A advisory work with clients such as Wells Fargo, Kaiser Permanente, Universal Studios, North American Van Lines, Morgan Stanley and Synovus as well as smaller companies. From 2005 to 2008, he was also a principal of NightWatch Capital, a concentrated public markets investment fund. Mark began his career as a banking lawyer with Latham & Watkins before joining McKinsey & Company for several years as a strategy and M&A consultant. He then left to acquire and operate a venture-backed retail financial services company, later selling it to a strategic buyer. Since 1999, Mark has also affiliated with EHS Partners and Harvest Earnings to lead earnings improvement programs. Mark earned his law degree from Stanford University where he was an Associate Editor of the *Stanford Law Review*.

TEAM MEMBERS

Robert Moon is a Managing Director with twenty years of experience in management, turnaround consulting and investment banking. His managerial experience has been primarily for troubled companies and includes: Chief Restructuring Officer of a national car rental company in bankruptcy; Chief Financial Officer of a high technology manufacturing company with primary operations in China and Taiwan; Interim-Chief Financial Officer for a heavily leveraged steel construction company; Interim-Chief Financial Officer for a consumer products company. As an investment banker, Robert raised over \$5 billion in debt and equity capital and completed over \$10 billion of M&A transactions for companies such as K2, Gucci, Turner Broadcasting, Adidas, Samsonite, Clear Channel Communications Channel Communications, Converse, and PF Chang's. Robert earned an M.B.A. from Columbia Business School. He has lived and worked in Asia and speaks Mandarin Chinese.

David Nilsson is a Principal with twenty-two years of investment banking, corporate finance, consulting, and real estate development experience. For the first twelve years of his career, he worked for Bank of America, Security Pacific/Hoare Govett, and INMC Mortgage Holdings, Inc. Then David was a senior consultant with Robert Charles Lesser & Co. where he led management, investment, property development, product programming and corporate strategy issues, primarily with real estate companies and investors. David has been the founder and manager of several real estate companies, developing and managing a broad range of product types. He has also advised several micro-cap companies on recapitalization strategies and provided M&A services. David earned an MRED from the University of Southern California.

Greg Robinson is a Managing Director with twenty-five years of experience as a consultant, executive, and entrepreneur. Prior to Vici, his consulting work at Bain & Company, McKinsey & Company, Price Waterhouse, and EHS Partners included strategy, organizational design, operating performance improvement and M&A advisory services for clients such as Chrysler, Unocal, Edison, Tenet Healthcare, Wells Fargo, First Interstate Bank, Great Western, UnionBanCal, KeyCorp, Provident Financial Services Group, Times Mirror Corp, Universal Studios, Hilton Hotels, AIMCO, MGM, Sony, Lotus Development Corp, and Dun & Bradstreet. Since 2003 he has focused on growing micro- and small-cap companies. His entrepreneurial experience began as an early-stage executive at Staples where he worked with Founder/CEO Tom Stemberg. Greg earned his MBA from Harvard University, where he was a LeBaron McArthur Ellis fellow.

TEAM MEMBERS

Jerry Sturgill is a Managing Director with significant experience as a chief executive officer, chief financial officer and general counsel. Most recently, he has led the turnarounds and restructurings of companies in the food manufacturing and transportation industries. Previously, Jerry was a partner of the law firm, Latham & Watkins, where as a member of the finance and bankruptcy practice he developed the firm's New York banking practice and led legal work for financing and restructuring for an array of companies in various industries. Jerry was then a partner in the energy practice of Stoeel Rives where he also led a variety of transactions such as the bankruptcy sale to international investors of Valbois, the Idaho year-round mountain resort now known as Tamarack. He authored chapter 5 of *Collier Lending Institutions and the Bankruptcy Code*, Matthew Bender (1986). Jerry earned his J.D. from the Brigham Young University law school prior to clerking for the Honorable Judge Eugene Wright, United States Court of Appeals for the Ninth Circuit.

George Swellitz has significant experience both as a corporate executive and as a senior management consultant. His corporate experience includes several years as a plant manager and division president at Sara Lee Corporation where he led the company's expansion into Eastern Europe. He was also CEO and Founder of a venture capital-backed manufactured housing company. In addition to his experience at McKinsey & Company, George was a Managing Director with Tandon Capital Associates and EHS Partners, focusing on change management and profit improvement. His work with clients such as Mellon Financial Corporation (now Bank of New York Mellon), Cinergy (now Duke Energy) and the HJ Heinz Corporation has achieved hundreds of millions of dollars in profit improvement. George earned his MBA from Harvard Business School.

Experts. In addition to this core team of senior leaders, ViciCapital can tap into its broader team of analysts and over 500 experts in a wide range of industries and functional specialties, including

- | | |
|--------------------------------|--------------------------------------|
| • Compliance | • Marketing |
| • Controller Functions | • Profitability Analysis and Pricing |
| • Forensic Accounting | • Product Development |
| • HR | • Outsourcing |
| • Incentive Programs | • Sales Force Redesign |
| • IT Design and Implementation | • Supply Chain Management |

MAPPING A PATH

You may know of companies that lack a clear and compelling plan. We would be happy to meet or arrange a call at your convenience to talk about how we could help in mapping or implementing a path forward.

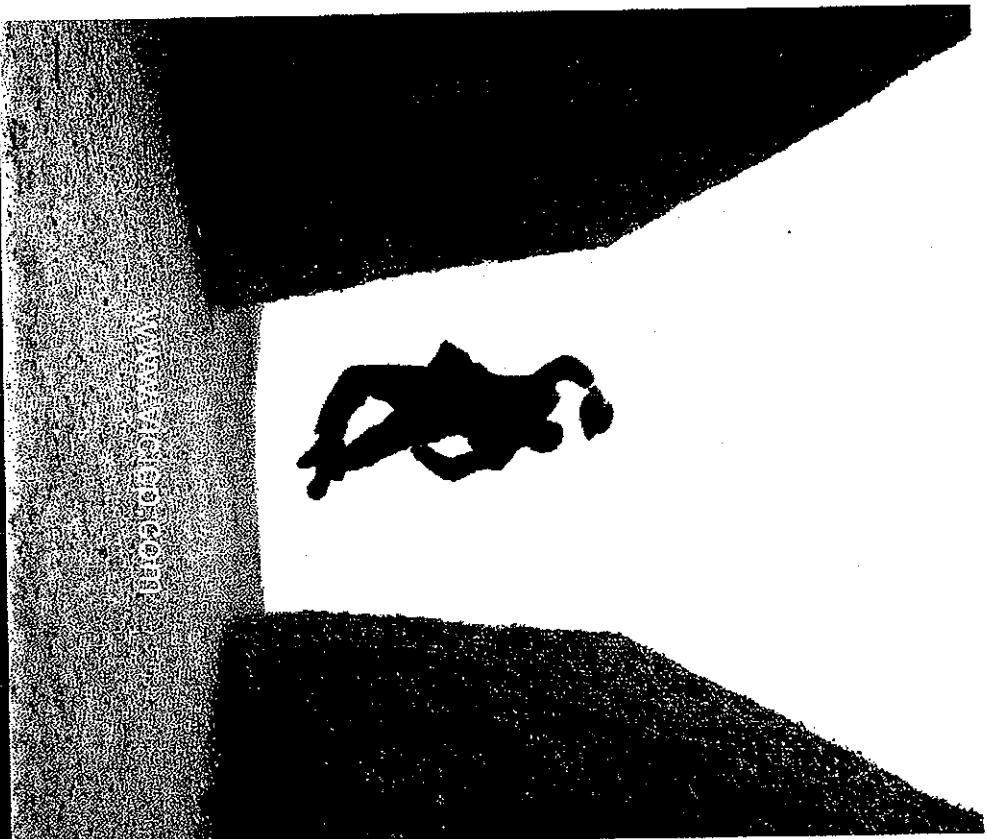
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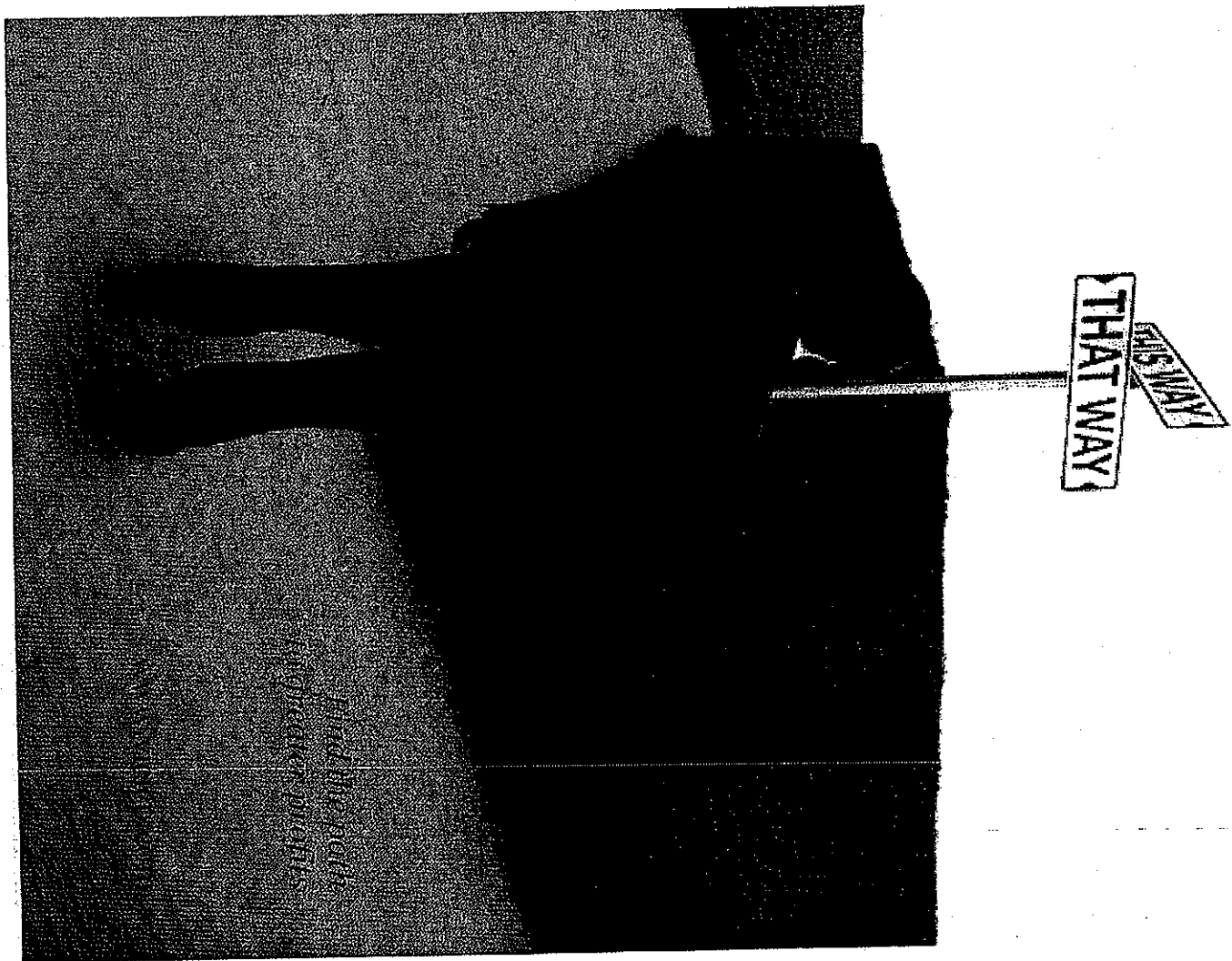
Vici(vē'-chē):

TO OVERCOME, EXCEL, WIN
SURPASS, CONQUER, MASTER



WWW.VICICP.COM

ViciCapital



ViciCapital PARTNERS

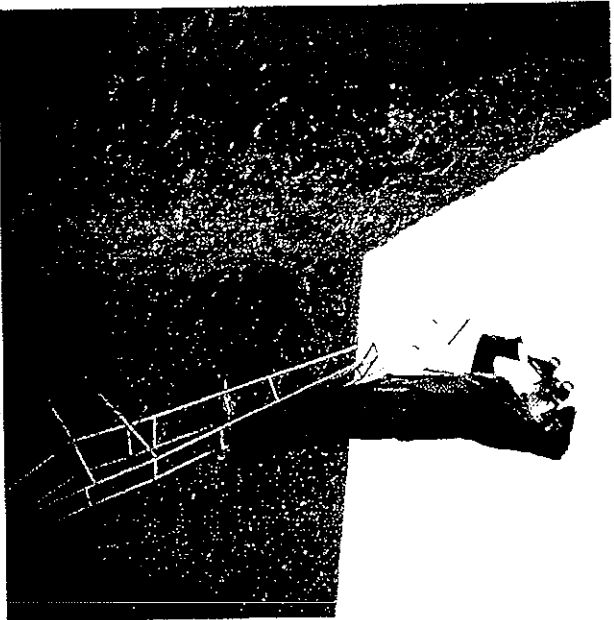
Quantified Change™

Proven principles and tools
to drive profitable growth

March 2010

- Track record with clients
- Principles, tools and techniques
- Ways we can help
- Case studies
- Contact Info

OVERVIEW



FOLLOWING THE SAME PATHS
YIELDS THE SAME RESULTS.
FINDING MORE PERFORMANCE
REQUIRES NEW PERSPECTIVES -
AND A PROVEN APPROACH.

ViciCapital

- Over the past 15 years, ViciCapital partners have helped dozens of America's best companies increase annual earnings by more than \$2 billion.
- In the process, we have honed an approach called Quantified Change™ that unifies and galvanizes organizations to be more effective and profitable.
- We would be happy to share the principles, tools and techniques we have developed to help you meet your goals.
- Our compensation is based on results achieved.

Services

- Profit improvement (Quantified Change™)
 - Training and coaching
 - Software and tools
 - Targeted profitability programs
 - Project support and leadership
- Bottoms-up strategy testing
- Interim operating roles and board service
- Turnaround and M&A advisory work

ViciCapital

KEY PRINCIPLES FOR A SUCCESSFUL EARNINGS PROGRAM

Over the past 15 years in working with some of America's most successful companies, we have found that the correct blend of the following principles can mobilize an organization, yielding consistently superior results.

360° CHALLENGING

- Set high expectations
- Look at things in a simple but systematic way
- Challenge assumptions top down, bottom up and inside out
- Start from a solid understanding of what drives results/profits
- Avoid long debates by gathering the facts
- Quantify the financial impact of each change vs. risks

SPECIFIC & FACT-BASED DECISION MAKING

- Line managers advocate change and make the decisions
- Front-line employees test how changes would actually work
- Key stakeholders weigh in and sign off on detail

LINE OWNERSHIP

STRUCTURED PROGRAM & TIMELINE

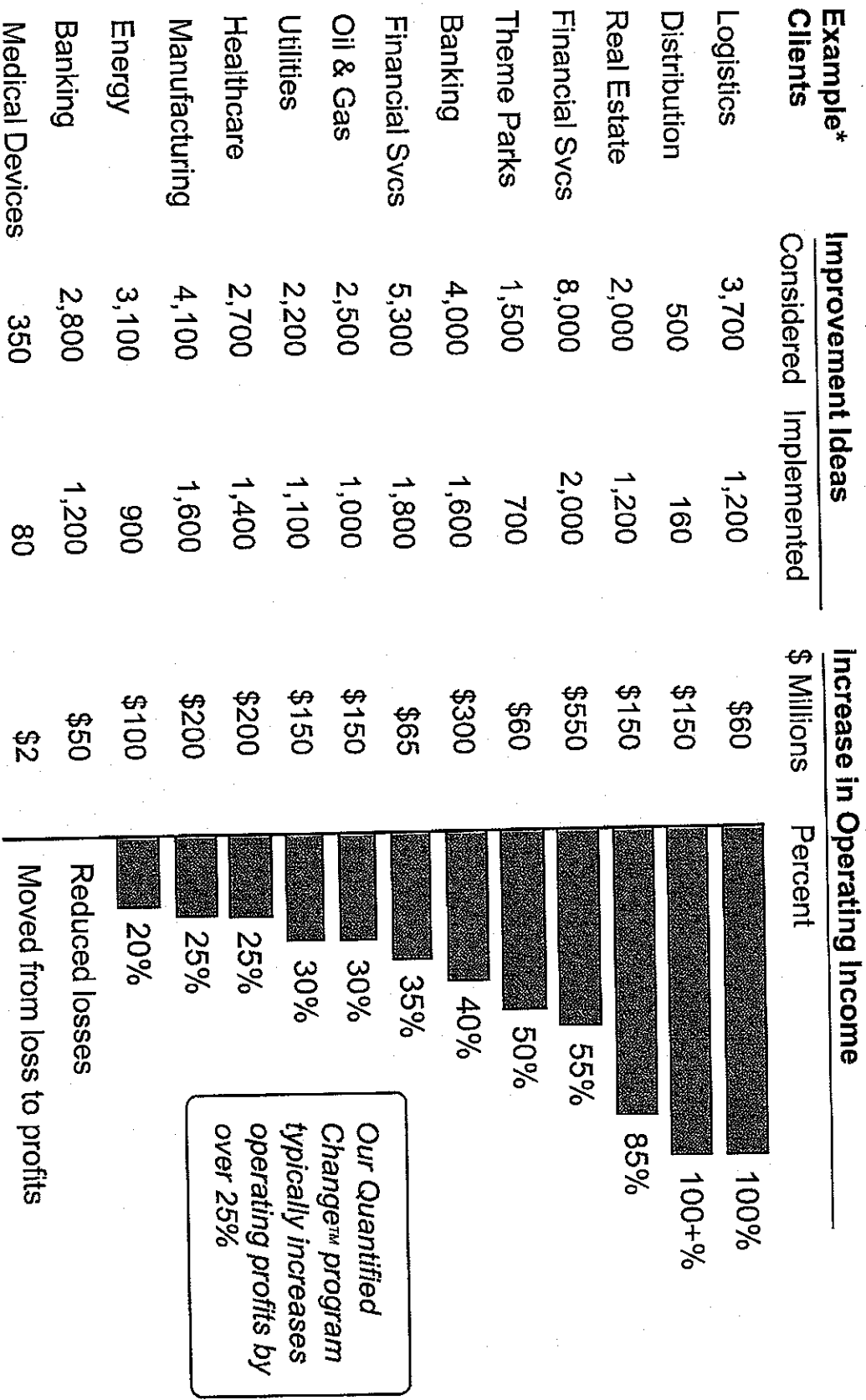
- Maintain momentum by establishing a quick timeline
- Consider and move inter-related decisions forward together
- Separate savings ideas from investment ideas

SCORE KEEPING & ACCOUNTABILITY

- Tie accountability to real change over time
- Measure change in dollars, time, work and margins
- Manage and track program and implementation with software
- Continuously update and improve going forward

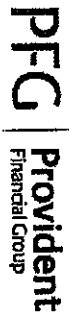
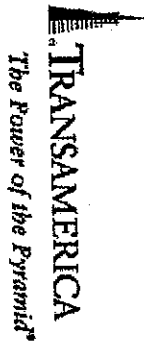
CONSISTENTLY SUPERIOR RESULTS

Our team has helped dozens of companies increase earnings with a 100% success rate – delivering more than \$2 billion in earnings impact.



SELECTED CLIENTS

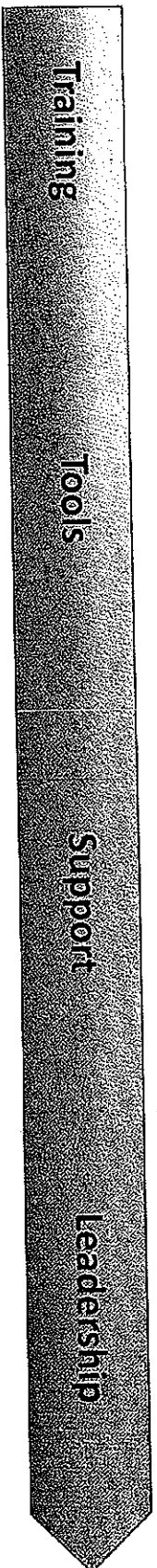
We have achieved these results with across a range of industries, with clients both large and small.



Note: These are clients of Vici Capital leadership using our methodology while at ViciCapital Partners or predecessor firms.
*Predecessor companies: Respond Inc., National Medical Enterprises.

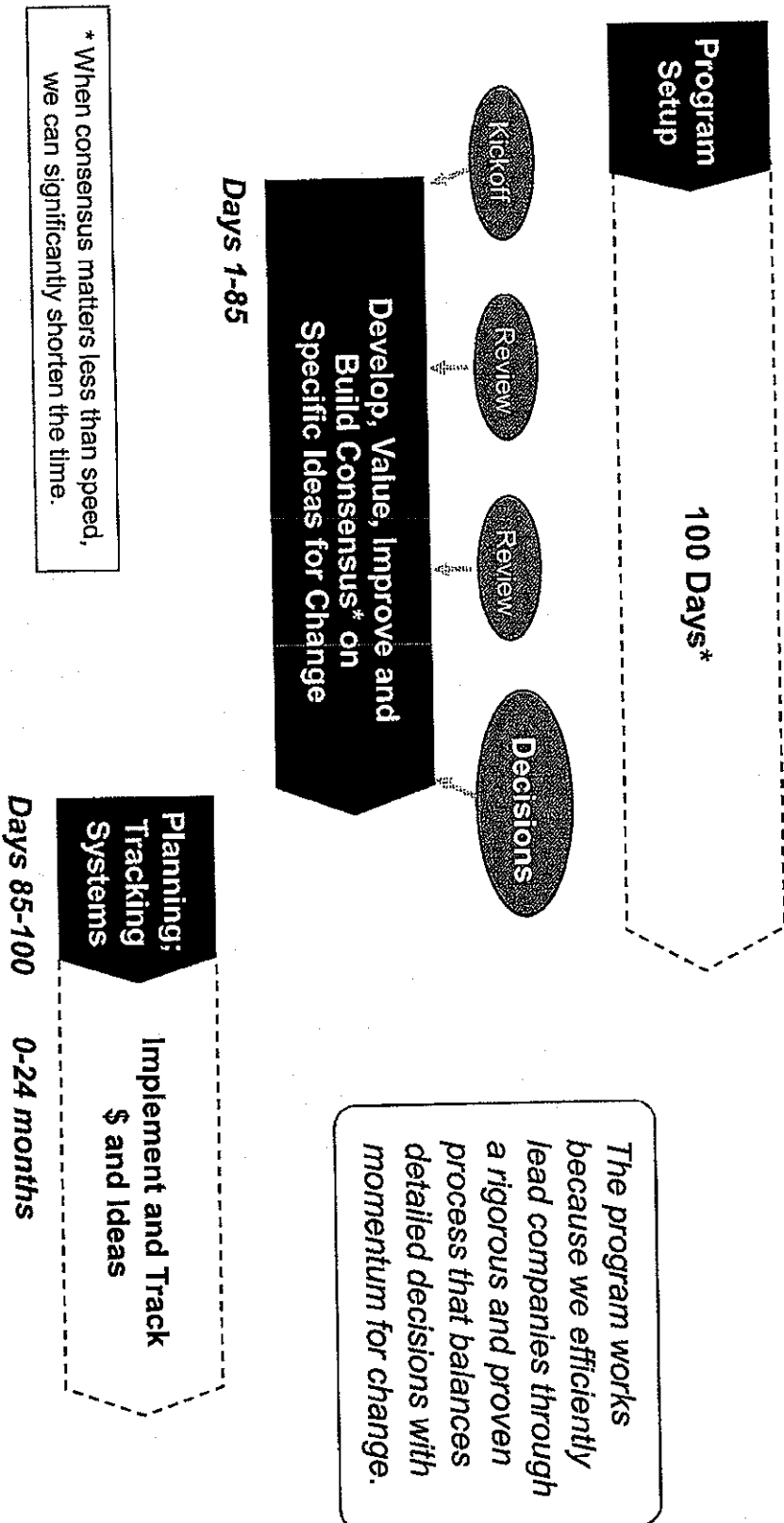
ALMOST EVERY COMPANY CAN ACHIEVE SIMILAR RESULTS

We created ViciCapital Partners to help companies of any size or situation achieve these same results – making our proprietary approach available on a flexible basis, whether in a full project or as coaches or project support with our tools to maximize the results.



QUANTIFIED CHANGE – 100 DAY PROGRAM ILLUSTRATION

To illustrate the overall range of help we can provide, the next slides outline key elements of the full Quantified Change program we have done with many companies. From start to consensus and dramatic earnings impact can be only 100 days or fewer*. Of course, this can also be spread out over time and built into a continuous improvement approach and culture.



STRUCTURING THE OPPORTUNITY – KEEPING SCORE

The primary aim of setup is to 1) create a scorekeeping system that starts from the current run rate; 2) structure problem-solving teams; and 3) identify key risks, opportunities and accountabilities.

- Establish scorekeeping system: team baselines
 - Divide project into teams
 - Assign each company resource to a team
 - Each HR position
 - Each non-personnel expense
 - Invite team (e.g., structure, roles, incentives)
 - Pull data for key analyses, e.g.,
 - Profitability data by transaction, vendor, etc.
 - Production by channel, rep, etc.
- Arrange project logistics (e.g., space, dates)
- Install proprietary program-management software

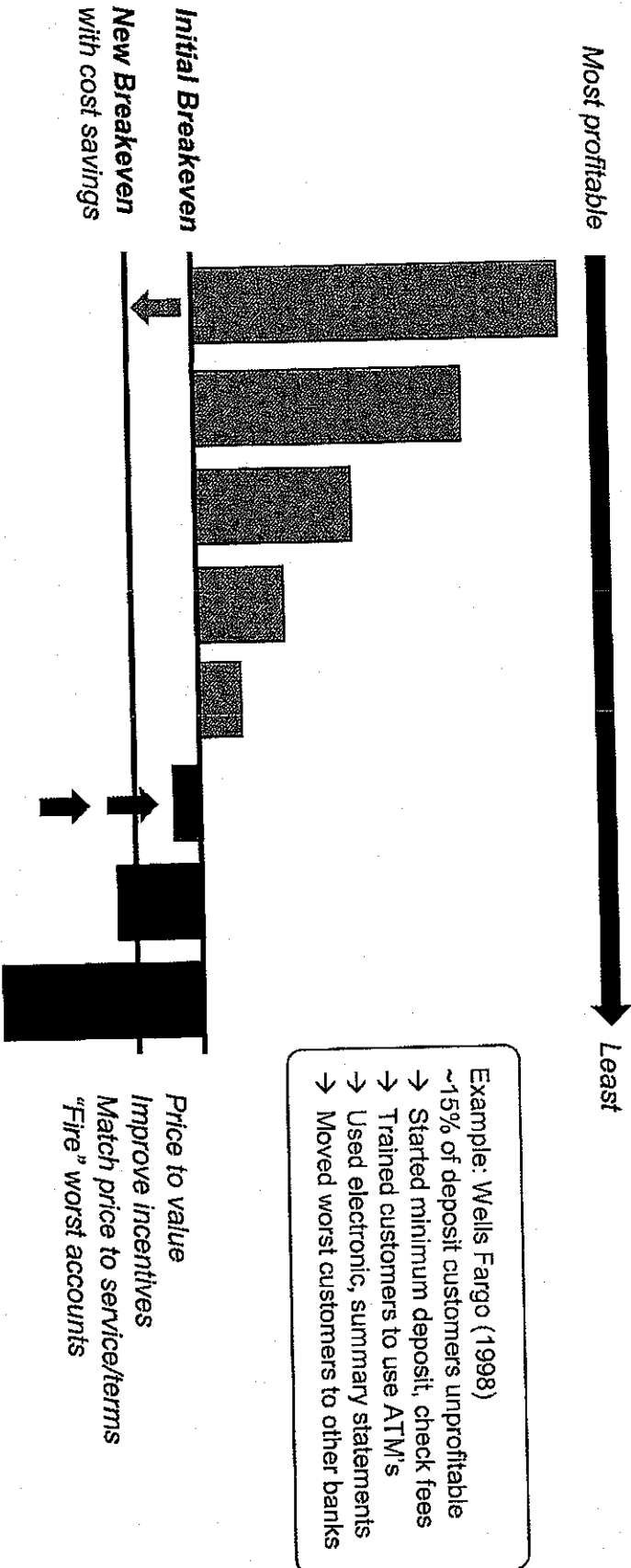
Without a robust score-keeping system it is impossible to track changes to new budgets and enforce accountability.

DRIVING PROFITABILITY

Most companies lose money on many accounts. The surest way to increase profitability is to ensure that every transaction, product, vendor, customer and channel is profitable. This process requires solid facts, systematic analysis and precise changes – and can drive enormous earnings increases.

Typical Profit Distribution (Illustration)

Transactions, Products, Vendors, Customers, Channels



GENERATING SPECIFIC, GOOD IDEAS TO IMPROVE RESULTS

Systematic questions are designed to generate specific types of ideas. Some help to increase revenues; others to decrease costs. We run every function, activity, purchase, product and channel through these questions – typically resulting in hundreds or thousands of ideas. Knowing how to ask the questions is important. Helping your team find actionable answers is the key. We start with the simplest and most clearly profitable and work to the more complex.

Cost Savings Example – Time:

In every function, we systematically find ideas to . . .

Simple ELIMINATE low-value processes

REDUCE capacity to match volume and service levels

REDESIGN processes to simplify and reduce hand-offs

DOWNSHIFT lower-level tasks to lower-skill positions

AUTOMATE processes using cost-effective technologies

RELOCATE positions for better wage rates and economies of scale

OUTSOURCE work to the most efficient and reliable supplier

Complex

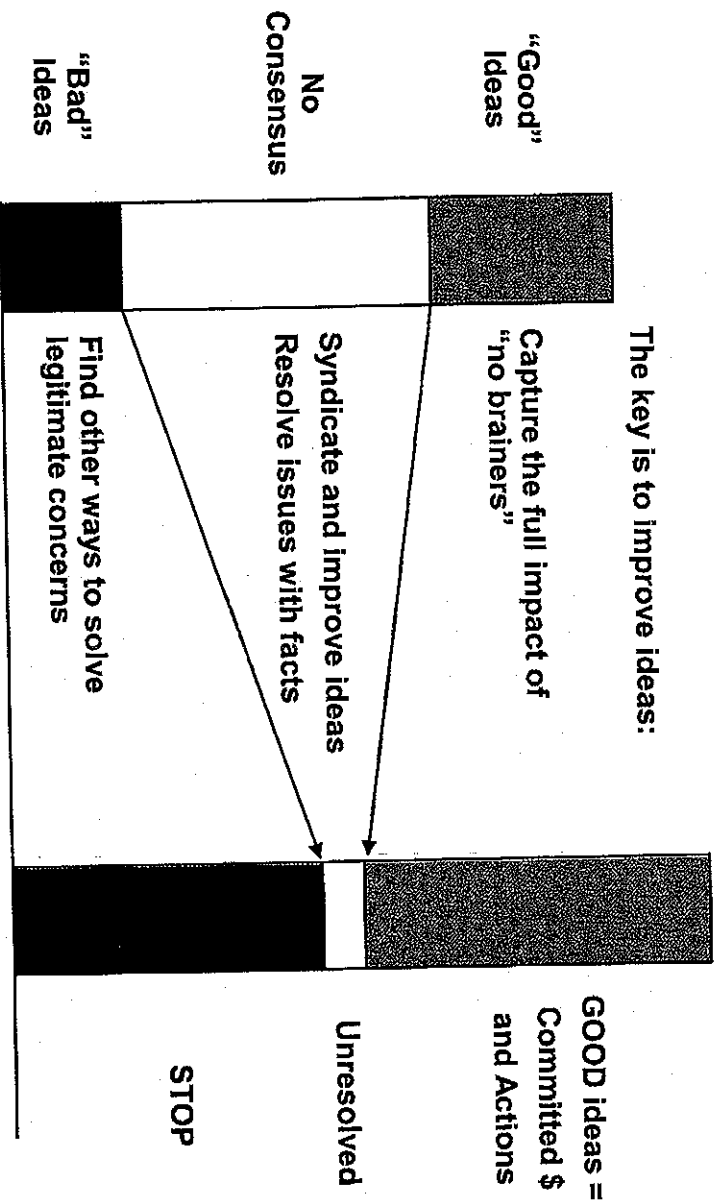
The program systematically develops real, workable earnings improvement ideas for each key function and profit driver.

IMPROVING IDEAS AND DRIVING TO MAXIMUM IMPACT

At first, most brainstormers are vague and unworkable, even if the concerns are real. Vici knows how to tease out the real and good ideas – making them specific and actionable by quantifying risks and rewards.

Decisions

Project Start



- A "GOOD IDEA" =
- a specific action/ change
 - within the Company's control
 - quantified in detail
 - can be implemented in 24 months
 - maximizes sustainable earnings
 - rewards clearly outweigh risks



QUANTIFYING IMPACT AND BUILDING CONSENSUS

Each good idea is valued down to 1/10th of a person's time, subtracting one-time and ongoing investment costs. Each company stakeholder who could stop implementation is consulted along the way – building consensus toward decisions.

Simplified Illustration: Retail Banking Expense Idea – Review 2

Idea #: 101				Net \$000's = \$ 1,108.0	
Description: Route branch calls to call centers				Consensus = Study	
Staff Impact				Timing = 04/10	
Function	Comp Level	Saved FTE	Added FTE	Impact \$000's	
Branch teller	6	23.5	0	\$ 1,338.7	
Branch teller	5	12.2	0	\$ 933.3	
Call center rep	7	0	17.0	\$(715.7)	
IT helpdesk	6	0	2.5	\$(163.3)	
Non-Staff Impact					
NPE Category	One Time?	Saved \$	Added \$	Net Annual \$000's	
Telecom (Dept A)		\$ 23.0	46.0	\$(23.0)	
Telecom (Dept B)			246.0	\$(246.0)	
IT Costing	Y		64.0	\$(16.0)	
Rating					
Type	Name	Rating	How to Improve Idea		
Team Leader	Ralph Jones	Study	Confirm telecom cost \$'s		
Legal	Jane Smith	Good			
IT	Steve Day	Study	May need more IT support costs		

With the
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With this detail, management can make informed decisions and ensure they are implemented.

Ideas managed in proprietary software. One-time costs amortized over 4 years. FTE = full-time equivalent.



ORDERLY PROGRESSION TO CONSENSUS & DECISIONS

The hardest part of change is getting buy-in. It is also easy to bog down in the details or get caught in tired, old debates. With Vici, a quick timeline, steady facilitation, independent challenging and score-keeping software all generate fact-based momentum for change. We build steadily from brainstorm to consensus, making management decisions simple and welcomed.



First Review...

"Why don't we have any ideas to...?"

"Have you thought about...?"

"What if we...?"

Second Review...

"How would it work?"

"Who would it affect?"

"What are the risks?"

"What would the financial impact be?"

Decisions...

"Are your numbers bullet proof?"

"Is everyone agreed?"

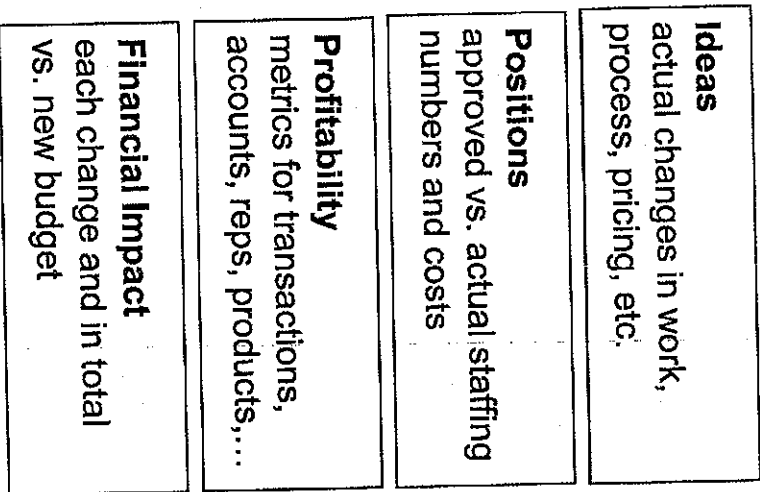
"Do you commit to change your budget?"

By the time decisions are made, facts are known and little is left to resolve. Management can then move forward with confidence, approving the good ideas and firmly putting to rest any that don't pencil out.

RIGOROUS TRACKING TO CAPTURE 100% OF EARNINGS IMPACT

To achieve 100% of the committed earnings impact on schedule, you need a system to track everything separately: changes to the work, staffing, profitability ratios and budgets. Leaving anything out allows for "Gaming the System", wasted resources and disappointing results. We provide an ongoing system to make sure every dollar drives to the bottom line.

...Separately Track



To achieve 100% of committed impact on schedule, one *must* ...

IF SO

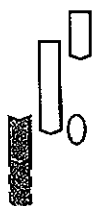
- Real savings in work flows and purchases
- Conscious decisions to allocate resources
- Precise follow through

IF NOT

- Tightened budgets, but no real work changes
- \$ and time savings leak into lower priorities
- Morale declines and \$ disappointments

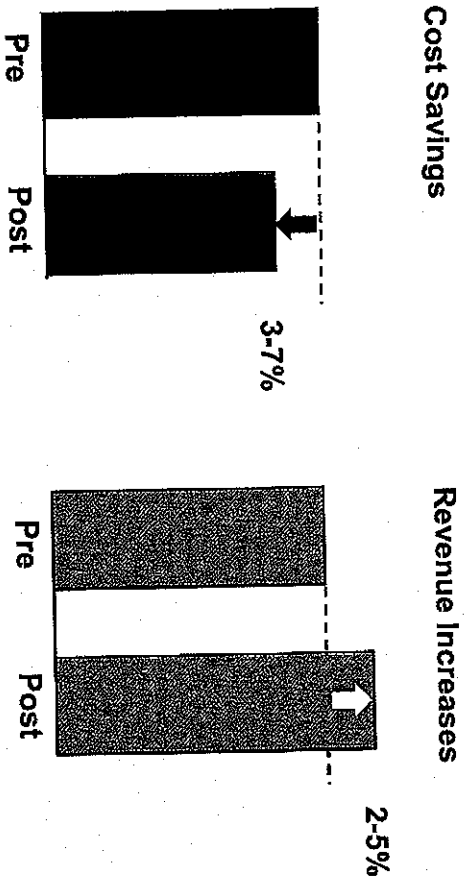
RESULTS TRANSCEND SHORT-TERM EARNINGS

The most obvious change will be in earnings. Longer-term effects will include a more nimble organization and a common vocabulary among leaders that result in better decision making.



Financial Impact

5 to 12 percentage-point increase in pre-tax earnings



Higher Achievement & Organizational Capability

- Clarity of strategic purpose and profit drivers
- Alignment of front-line energy to strategy
- Faster decision-making
- Continuous improvement culture and bias toward action
- Greater creativity and consistency
- Sharing of best processes and practices
- Improved morale and clear accountabilities
- Systems to generate and track on-going changes and earnings growth

CASE STUDY 1: Private Equity-Sponsored Logistics Company

Business: A national leader in residential and commercial moving and logistics. Additional businesses included truck repair and driver training.

Revenues: ≈ \$1 billion

Situation:

- Stable business with a highly recognized brand
- Modest business cycle down turn
- Negotiations and tensions with independent drivers
- Large private equity firm purchased business with approximately \$60 million in equity
- Launched improvement program to generate additional sustainable cash flow

Strong motivation to grow cash flow

- New debt requirements
- Uninspiring historical operating margins
- Ambition to roll up and reform the industry

Example Improvements:

- Consolidated customer billing models and systems
- Simplified and automated back office functions
- Restructured sales force to drive key accounts
- Redesigned route planning models to reduce "dead-heading", making routes more competitive and efficient
- Downscaled business lines with lower capital returns
- Unified pricing system to eliminate unprofitable discounting and generate more revenue from key accounts

Outcome

- \$60 million in earnings increases
- 600 basis-point increase in op margins
 - ~ 500 from efficiencies
 - ~ 100 from pricing
- Used new cash flows to fund roll up of competitors and launch relocation business

CASE STUDY 2: Large Integrated Financial Corporation

Business: Major regional banking player with several hundred branches and a growing stable of fee-based processing and asset management businesses.

Revenues: ≈ \$5 billion

Situation:

- Among few highest-performing financial institutions
- Strategically shifting business from interest-driven to fee-driven business model
- Selling retail banking and other loan operations
- Negotiating to purchase new processing and asset management businesses.

Example Improvements:

- Consolidated organization in traditional business lines
- Standardized processing across all centers
- Unified system interfaces (both internal and external)
- Tiered clients to match service levels with profitability
- Restructured sales incentives to match value created
- Consolidated call centers and customer support
- Automated statements for electronic distribution
- Consolidated structure across acquired business lines
- Applied minimum fees to small accounts
- Switched larger asset accounts to performance fees

- Top performer, looking to fund faster growth
- Strong management team
 - Record earnings and margins
 - Actively up-shifting business model

Outcome:

- \$300 million of earnings power generated
- Net of only 223 job reductions out of 27,000 employees
- Many people and \$ deployed to grow and buy fee-based businesses
- Positioned company for favorable merger

CASE STUDY 3: Smaller Post-Merger Manufacturing and Distribution Company

Business: Niche manufacturing of high-end, capital equipment plus distribution of wide-ranging catalog of commodity products to physical therapy and chiropractic clinics.

Revenues: \$33 million

Situation:

- Company acquired independent distributors, expanding their product lines from dozens to thousands of commodity products
- Gross-margin-oriented incentive structures
- Bloated back office
- Inefficient transactions processing

Post-Merger Crisis

- \$6 million of goodwill write offs
- Declining sales (with economy)
- Negative cash flow
- Covenant defaults on bank loan

Key Improvements:

- Re-priced large proportion of unprofitable smaller transactions and accounts
- Aligned sales incentives with transaction profitability
- Dramatically reduced order fulfillment costs
 - Transitioned smaller sales to web channel
- Implemented a new customer-service staffing and management model

Outcome:

- \$2 million of earnings increases (to date)
- Over 600 basis-point increase in earnings
 - ~ 250 from pricing ideas
 - ~ 350 from cost reduction
- Now in compliance with debt covenants – bank has declassified and is likely to extend loan

A PATH TO SUCCESS

You may have or know of situations where these principles and tools could be helpful to dramatically improve results and earnings. We would be happy to meet or arrange a call at your convenience to talk about how we could help in mapping or implementing a path forward.

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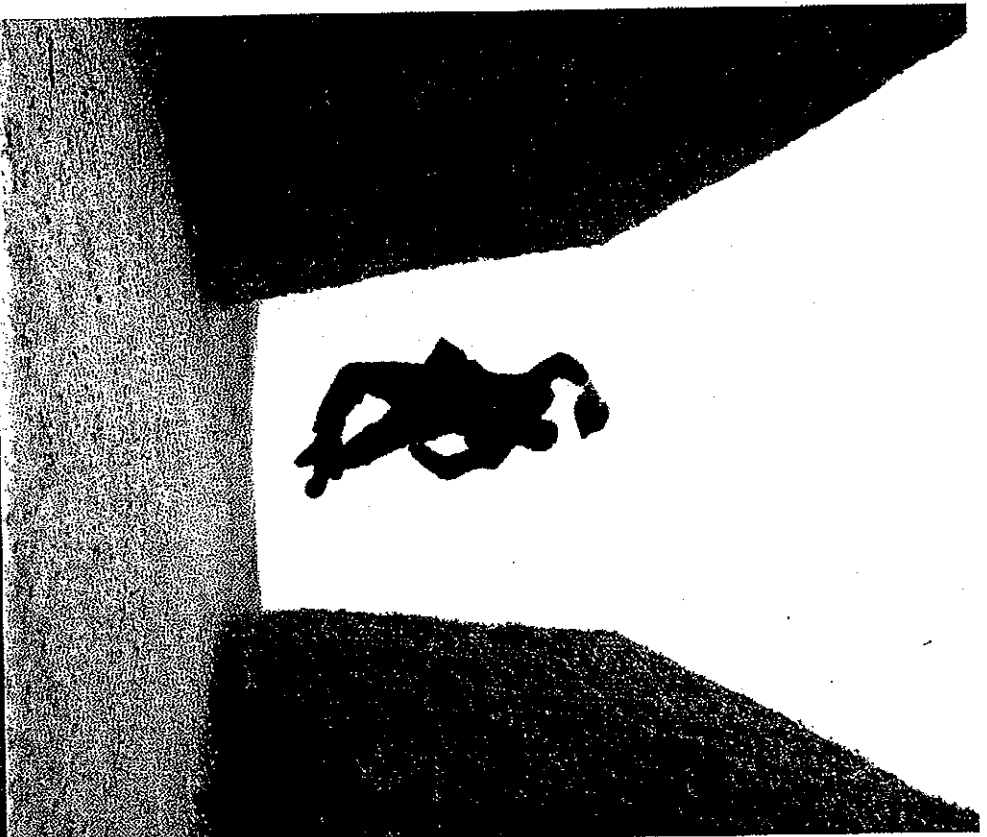
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